

Oakmont Golf Club  
Management Report to the Board of Directors  
February 24, 2010  
Empire Golf, Inc.

- **Review of Loss from Operations for January 2010**
  - January was a poor month financially for the OGC, with an operating loss of \$71,823 which was \$12,794 more than the budgeted \$59,029, and the January 2009 loss of \$21,248. Play on our two golf courses was down 2,570 rounds from January of last year, and under budget by 585 rounds. We had 14 rain days and 13.1" of rain for the month, compared to 5 rain days and .78" in January 2009.
  - We had an overall loss from Golf Operations of \$19,646, which missed budget by \$9,142 and was behind last January's by \$41,039. Daily Fee revenue was \$29,184 which missed budget by \$12,692 and behind January 2009 by \$38,658.
  - Food and Beverage had a disappointing loss of \$7,446 in January, compared to a budgeted \$9,582 loss; this was mainly due to a very high food cost of 44%. Gross sales actually exceeded budget for the month.
  - Golf Course Maintenance Expense came in \$9,321 under budget for January,
  - We have purchased surveillance systems for both the West Golf Shop and Quail Inn. Cameras will be installed at all entrances/exits as well as guest and employee only areas. The systems are Internet linked, so management will be able to view activities from both on and off site on a 24 hour per day basis. The system also records directly to a DVR which will save data up to 30 days.
- **Departmental Update**
  - **Course Maintenance**
    - *Report from Steve Good, Head Golf Course Superintendent*
      - Rain storms and wet golf courses have taken center stage to start the New Year. During the first 45 days of the New Year, rainfall was recorded on 18 days, totaling 15.67". Adding another three weeks of overcast and foggy days, this combination created very wet golf courses. The results of our fairway sanding program and drainage improvements are allowing the light-weight mowers to keep fairway heights at a playable condition. The deep tine aerification of greens and

tees to help drainage has permitted us to maintain our regular mowing schedule during the wet weather and allowed the golf courses to remain open. We have received reports of other courses in the area being closed or open on a limited basis. Green surrounds and rough areas will require more time to dry out before we can get the heavier mowers cutting this grass. The golf courses came through the January rains without any major damage or problems, so the maintenance staff will be directing their attention to completing the irrigation satellite up-grade and getting the golf courses ready for the 2010 season.

- GREENS
  - Both golf courses received their monthly fungicide application. Mother Nature fertilized for us with the rain, supplying a natural nitrogen application and flushing out the built-up salts that accumulated during the irrigation season. Spring aerification dates are scheduled for the East, Monday March 8<sup>th</sup> and the West, Monday March 15<sup>th</sup>.
- IRRIGATION
  - The irrigation satellite up-grade is progressing on schedule. All old controllers have been removed and new pads are being constructed for the satellites. Communication cable, signal wire and 110 volt lines are being pulled to new pad sites, and will be connected as the satellites arrive. Two irrigation line breaks were repaired, # 10 West, 8" main and #14 Tee West, a two electric valve manifold was repaired and replaced with new valves and pipe.
- EQUIPMENT
  - We have located and purchased two used mowers with low hours (new to us); a greens and large rough mower, these will let our older and tired ones rest and semi-retire and be used as backup units.
- TYLERS TIP
  - Please continue to keep power carts on the paths and be careful going up and down green and tee banks until

conditions dry up. Thank you for your patience and understanding.

○ **Golf Operations**

*Report from Jim Carra, Director of Golf*

- Product of the Month is as follows:
  - February - Accessories
  - March - 2009 Equipment and Merchandise
- Met with Men's Club representative regarding Member-Member in April.
- Met with John Yacobellis, Scott Stewart and Steve Good regarding driving range set-up and teaching area.
- Met with representatives and Tina Williams regarding upcoming Santa Rosa Symphony Golf Tournament.
- Attended Northern California Merchandise Show at Haggin Oaks in Sacramento.
- Weather has been a major obstacle. Play virtually non-existent due to weather. Both courses closed for over a week due to soggy turf and water conditions.
- Range closes at 2:00pm (early) on Wednesday for maintenance. Range opens on Monday and Thursday morning after maintenance is completed.
- Monthly calendar and other information are posted outside the West Golf Shop.

○ **Sales and Marketing**

*Report from Tina Williams, Director of Sales and Marketing*

- Weddings
  - 2010 - 16 Weddings Booked
  - 2011 - 1 Wedding Booked
  - Continuing to show facility for 2010/2011 weddings.
  - January Wedding Revenue

▪ Food & Beverages	\$4,558
▪ Facility Fees	750
▪ Banquet Serv. Charge	<u>911</u>
• Total	\$6,219
- Memberships
  - We currently have 114 monthly memberships
  - Spring Membership Promotion
    - Purchase a Membership for \$500 by 5/31/10 and receive:
      - Family Range Plan (Good for 12 months)  
OR 25 Single Rider Cart Credits

- Advertising started in Sports Section of SF Chronicle Sunday, February 21 and will follow for the next month on Wednesdays and Fridays in the North Bay Zone.
  - Upcoming Events:
    - February 27<sup>th</sup>, Mardi Gras Dinner Dance
    - March 27<sup>th</sup> - Liars Dice Tournament
    - April 4<sup>th</sup> - Easter Sunday Brunch
- **Food and Beverage**

*Report from Ehrin Cadigan, Director of Food and Beverage*

  - We had a good month in gross sales for a wet January, but our food cost was ridiculously high at 44% and killed our profitability. We did exceed our sales budget by 14%, Labor was under budget by 8% and our operating expenses were under budget by approximately \$600.
  - We tried a Ten Dollar Tuesday night in February and realized we need to revamp it for March. Starting in March every Tuesday will be PastO ~ PerfectO night. For \$10 you get a side salad and a choice of 3 different pastas and sauces. Also, all wine on the wine list is 50% off (excluding Silver Oak).
  - Valentine's Day went very well. We did 107 covers and most all guests seemed very happy. We did a 7-course dinner with a small portion and big plates type of French style service which seemed to go over very well.
  - We are also doing a Mardi Gras dinner and dance party on Saturday, February 27<sup>th</sup>. Price is \$35 per person inclusive and reservations can be made in the administrative office 538-5524. Time is from 5pm to 10pm.
  - Do not forget to make your reservations for the Liars Dice tournament on March 26<sup>th</sup>. You may do so with Ehrin Cadigan in the Food and Beverage office.
  - So far year to date our Sunday buffet is below last year's averages. We are currently averaging 50 people per Sunday and \$600 in revenue.
  - Thursday Night buffets are going smoothly we averaged 89 covers and \$2,000 per night in January.
  - Monday night burger night is still a hit as we are averaged 132 burgers per night.
- **Administration**
  - No report

*Report respectfully submitted by Rod Metzler, President, Empire Golf Inc.*